GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1265
ANSWERED ON:02.03.2001
EXCISE DUTY EVASION CASE AGAINST I.T.C.
PRIYA RANJAN DASMUNSI

Will the Minister of FINANCE be pleased to state:

(a) whether an excise duty evasion case of I.T.C. was brought to the notice of the Government a few years back;

(b) if so, the amount that was alleged to have been evaded by the I.T.C; and

(c) the present status of that excise duty case and the steps the Government are considering to realise and recover the duty payable by I.T.C.?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN)

(a) & (b): Yes, Sir. In a major case show-cause notice alleging evasion of Central Excise duty to the tune of Rs. 803.79 crore was issued to M/s ITC Ltd. and their job workers in 1987.
(c): An amount of Rs.799 crore was confirmed against M/s ITC and its job workers and penalties were imposed on various persons by the adjudicator. M/s ITC and thejob workers preferred an appeal in Customs Excise Gold(Control) Appellate Tribunal (CEGAT), which heard the case on a pre-deposit of Rs. 350 crores by M/s ITC. Order was issued confirming the demand only against M/s ITC and with directions to the adjudicator to re-quantify the duty. Both Department and M/s ITC have filed appeals againstsaid order of CEGAT before the Hon`ble Supreme Court, which is sub-judice.The Adjudicator has re-quantified the duty but is constrained from passing the order in view of directions of the Supreme Court to this effect.